RG104 Entry 235

Volume 454

Letters Sent by Headquarters to Mints and other Offices.

Secretary of Treasury and Chief Clerk, Treasurer, Budget Officer – 1923

Limited Excerpts, Only

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RG 104 RECORDS OF THE BUREAU OF
THE MINT

Records of the Bureau of the
Mint
Correspondence

LETTERS SENT, 1873-1917

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December 29, 1922.

Chief Clerk,
Treasury Department.

Sir:

The following is an excerpt from a letter received from the Superintendent of the Mint at Philadelphia relative to his ordnance stores:

"We have at this mint the following arms and ammunition:

40	Krag-Jorgensen Rifles
26	Army Colt Revolvers. (38 Caliber)
2400	Rounds of ammunition for rifles.
1000	" " " " pistols.

"The rifles, with one exception, and pistols are in good condition. The rifle can be repaired here.

"We have distributed the surplus pistols among the various offices and have arranged for the placing of rifles in various rooms where they may be quickly and easily reached in case of need.

"While it is believed we have a sufficient number of rifles, we should have 22 additional pistols with holsters and waist belts. It would be desirable to have a smaller pistol than those furnished, if available, for men acting as messengers between the bank and the mint. In this connection I would call attention to the holsters furnished the mint. They are all left-handed and should be right-handed holsters. Cannot those we have on hand be exchanged for, and the additional holsters required be of the right-handed design?

"We should increase our supply of ammunition to 5000 rounds suitable for the rifles (30 caliber), and 5000 (38 caliber) for the pistols. We should also be furnished with 40 belts for Infantry cartridges caliber 30."

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The Superintendent has also requested that he be supplied with 15 riot guns and 2000 rounds of ammunition.

The requests of the Superintendent of the Mint at Philadelphia are approved by this Bureau, and it is recommended that the necessary steps be taken to provide him with such protection as he deems necessary to properly guard the lives of the employees of the Mint as well as the Government property for which he is held responsible.

Respectfully,

Fr. M. O'Reilly

Acting Director of the Mint.

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December 30, 1922.

Mr. Arthur E. Sixsmith,
Secretary to the Secretary,
Treasury Department.

Dear Mr. Sixsmith:

Referring to the enclosed note addressed to you enclosing a copy of a letter from Mr. Henry Chapman relative to procuring subsidiary coins of all denominations dated 1922, and to which you immediately called the attention of the Director of the Mint, I beg to submit the following:

On October 11, 1922, a letter was received from Mr. Chapman addressed to the Secretary of the Treasury. This letter was forwarded to this Bureau for attention, and on October 17, 1922, the following reply was made to Mr. Chapman:

> "Replying to your letter of October 11, you are advised that early in the year the mints coined five cent pieces and one cent pieces in the minor denominations, and are now engaged in the coinage of one dollar silver pieces and twenty dollar gold pieces. These are the only denominations of coins that have been executed by the mints during the current calendar year. There is such a large stock of uncirculated coins in the Treasury at present that there would be no justification on the part of the Department in executing subsidiary coinage during this calendar year.
> Although the Treasurer is not paying out new coins to the banks for circulation, there will be no difficulty in coin collectors obtaining specimens of the pieces now being made. The Department could not undertake to coin a limited number of pieces for the purpose of supplying collectors."
>
> Respectfully,
> (s) M.M. O'Reilly
> Acting Director of the Mint."

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On October 18 Mr. Chapman addressed a letter to the President. This letter was referred to this Bureau for attention, and the following reply was made him under date of October 23:

"Your letter of October 18 addressed to the President has been referred to this office for attention. This Bureau appreciates the interest you are taking in the matter of numismatics and your desire to have preserved a uniform collection of the coins of this country, but it is not in our power to take any action which will result in the coinage of a limited number of new coins for collection purposes. Regretting that we cannot make a more favorable reply, I am,

Respectfully,
(s) M.M. O'Reilly
Acting Director of the Mint."

On October 25 a letter was addressed by Mr. Chapman to the Director of the Mint. On October 28 Mr. Chapman was again replied to by the Director as follows:

"Upon my return to my desk my attention has been called to the correspondence with you in regard to the issue of coins of all denominations for the current calendar year. The demand for subsidiary coinage is not a general one, and the Department would not be justified in undertaking to issue a limited number of coins not required for the good of the general public.

Respectfully,
(s) F.E. Scobey
Director of the Mint."

On November 2 a letter addressed to the President by Mr. Chapman was referred to this Bureau and on November 10 the following reply was made to Mr. Chapman:

"Your letter of November 2, addressed to the President, has been forwarded to this Bureau.
The fact that your letter has been referred to this Bureau from the White House should not imply to you indifference on the part of the Executive in regard to the letter. It is customary to hold the respective departments responsible for

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a satisfactory contact with the public in matters concerning such Departments.

I have again considered carefully the suggestion that a limited number of subsidiary coins should be manufactured during the current calendar year in order to supply collectors, but I do not feel justified in causing the mints to manufacture coins for the purpose indicated."

Respectfully,
(s) F.E. Scobey
Director of the Mint.

Respectfully,

M. M. O'Reilly

Acting Director of the Mint.

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January 30, 1923.

My dear Congressman:

I have the honor to acknowledge the receipt of your letter of January 27, 1923, enclosing a copy of H. R. 13809, a Bill to authorize the coinage of 50-cent pieces in commemoration of the three-hundredth anniversary of the settling of New Netherland, the Middle States, in 1624, by Walloons, French and Belgian Huguenots, under the Dutch West India Company.

Since several bills have recently been passed authorizing the issue of special coins, the Treasury Department offers no objection to this Bill. Should favorable legislation be enacted I shall take pleasure in instructing the Director of the Mint to cooperate with the Committee in charge of the proposed coinage in the preparation and manufacture of the coins.

It is suggested that the Bill be amended to indicate an agent who is to receive the coins from the Mint and make payment for the same. As drawn, the bill would permit any citizen to obtain the coins from the Mint upon payment of the face value of the same.

Very truly yours,

Secretary of the Treasury.

Honorable Albert H. Vestal,
Chairman, Committee on Coinage,
Weights and Measures,
House of Representatives.

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February 8, 1923.

Hon. Charles D. Walcott,
Secretary, Smithsonian Institution
Washington, D. C.

My dear Dr. Walcott:

It has recently been deemed advisable in the interest of safety to close the United States Mints to visitors. As you are aware, there is a large numismatic collection in the Mint at Philadelphia. Since the Mint is to be permanently closed to visitors the inspection of the collection by the public is no longer possible. There is an important and very beautiful selection of coins, tokens and medals, perhaps the largest and most complete numismatic collection owned by the Government. The logical place for this collection would seem to be in the National Museum in Washington, and I am writing to ask if you would consider it feasible to have the collection transferred there. In case you consider the undertaking favorably may I suggest that you designate a representative of the National Museum to inspect the collection in order that you may be advised as to its scope and importance, and as to other details involved in the proposed transfer.

The Curator of the Mint at Philadelphia died several months ago, but we have made no special effort to fill the position for the reason that the removal of the collection to Washington has been tentatively considered for some time.

The collection is under the jurisdiction of the Director of the Mint, and I shall be glad to instruct that officer to place before you all available information in regard to it. I am enclosing a Catalogue of the coins, tokens and medals which may be of interest to you in considering the proposed transfer of the collection from the Mint to the National Museum.

Very truly yours,

A. W. Mellon

Secretary of the Treasury.

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February 10, 1923.

The Honorable,
The Secretary of State.

Sir:

I have the honor to acknowledge receipt of your letter of February 5, 1923, Di 015.41, enclosing a copy of a note from the British Ambassador asking for information in regard to the practice of the United States Mint at Philadelphia in the manufacture of pure nickel coins. The United States Mint has never undertaken the coinage of pure nickel or unalloyed nickel, nor has it made independent experiments, as to do so would require extensive changes in our Mint machinery.

The United States Mint has, however, investigated the matter of obtaining pure nickel suitable for coinage purposes, and has been informed that the Alloys Company of Hyde, Pa, now known as the American Nickel Corporation, Pittsburgh, Pa., claims to be able to refine nickel to a purity of 99½ plus per cent. They also claim their product is the purest commercially produced. It is understood the Canadian 5¢ nickel was coined from their product, but it is not known in what form it was furnished.

Respectfully,

A. W. Mellon

Secretary of the Treasury.

February 27, 1923.

The Honorable
The Undersecretary of the Treasury.

Sir:

The Superintendent of the United States Mint at Philadelphia has requested authority to install at the Mint one single and two double gates in the Court Yard; three window guards in the weigh room, and five gates in the vault corridor. These improvements have been found necessary as the gold and silver coin and bullion, valued at approximately $400,000,000, stored in the Mint are not properly protected in the present condition. The Supervising Architect has inspected this Mint and has considered the improvements suggested necessary, but stated he had no funds available to make payment for the installations. The Secret Service Division has recommended these improvements and considers them essential to the safety of the Government property stored in this Mint. The appropriation for contingent expenses of the United States Mint at Philadelphia is sufficient to pay the cost of these installations.

On account of the publicity given to the large number of attacks upon property, it is deemed that an emergency exists which would justify the use of the only fund available to meet the needs of the Government in the proper protection of the values stored at the Philadelphia Mint.

I have the honor to request that a decision be obtained from the Comptroller General as to whether or not the appropriation "Contingent Expenses Mint at Philadelphia, 1923" is available for payment of the expense of installing the above described protection, gates and grills.

Respectfully,

M. M. O'Reilly

Acting Director of the Mint.

February 28, 1923.

Mr. T. T. Belote,
National Museum,
Washington, D.C.

Sir:

You are hereby authorized and requested to proceed to the United States Mint at Philadelphia for the purpose of inspecting the numismatic collection at that Mint with a view to planning a method of packing the same for transfer to the National Museum.

While engaged in this service your necessary traveling and subsistence expenses will be paid from the appropriation "Contingent Expenses, Office of the Director of the Mint, 1923."

Respectfully,

M. H. O'Reilly

Acting Director of the Mint.

Approved. FEB 28 1923

S. P. Gilbert Jr.

S. P. GILBERT, Jr.
Under Secretary of the Treasury.

March 6, 1923.

My dear Senator Pepper:

My attention has been called to your letter of March 3 addressed to the Director of the Mint, transcribing a copy of a communication received by you from Mr. J. L. Crowley, Manager of the "Seeing Philadelphia" Automobiles, who desires to take school parties on sight-seeing trips through the United States Mint.

For the purpose of more closely guarding the large amount of coin and bullion on hand all of the Mints and Assay Offices have been closed to visitors for an indefinite period. I think it would be inadvisable to make an exception for sight-seeing automobile parties. I should like to accede to the request of Mr. Crowley on your account, but I feel sure you will appreciate the urgent need of the precaution now being exercised, and the position of the Department in its effort to adhere impartially to the decision to close the Mints to visitors for the present.

Very truly yours,

S. P. Gilbert Jr.

S. P. GILBERT, Jr.
Under Secretary of the Treasury.

Hon. George Wharton Pepper,
United States Senate.

March 8, 1923.

The Honorable,

The Secretary of the Treasury.

Sir:

I have the honor to submit for your approval the design of the fifty-cent piece to be issued in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine, the coinage of which was authorized by the Act approved January 24, 1923.

The design, as to its artistic merits, has the approval of the Fine Arts Commission. It is understood that the weight, composition and dimensions of the coin shall be the same as are prescribed by law for similar denominations.

Respectfully,

M. M. O'Reilly

Acting Director of the Mint.

Approved: MAR 8 1923

A. W. Mellon

Secretary of the Treasury.

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March 9, 1923.

The Honorable,
The Secretary of State.

Sir:

The Director of the Mint has brought to my attention the following excerpt, concerning Argentina's monetary circulation, from the Comite des Interets Materiels, Brussels, August 28-29, 1922:

> "* * * in addition to the 1,362,564,000 pesos issued by the Caja de Conversion up to December 31, 1921, there circulates about 1 billion pesos of paper issued by the Government."

The Director of the Mint has been unable to verify the statement that paper issued by the Government circulates, in addition to that issued by the Caja de Conversion.

If compatible with the policy of your Department, I have the honor to request that efforts be made to determine the facts by addressing the Argentine Embassy, asking whether paper issued by the Government circulates in addition to that issued by the Caja de Conversion, and if so, the approximate quantity, with such other information as is available concerning the laws governing its issue, redemption, etc.

Respectfully,

Secretary of the Treasury.

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March 10, 1923.

Honorable James E. Watson,
United States Senate,
Washington, D. C.

My dear Senator Watson:

I have your letter of March 3rd, enclosing a letter from Mr. Leonard B. Hodgin, president of the Kokomo Stone Company of Kokomo, Indiana, relative to the manufacture of medals by the United States Mint. The letter was referred to the Director of the Mint with instructions to investigate the matter and I have the honor to submit a copy of the report of the Superintendent of the Mint setting forth the practices followed at the Mint in the manufacture of medals:

"The Director of the Mint,
Washington, D.C.

Sir:

I beg to acknowledge receipt of a letter addressed to the Honorable the Secretary of the Treasury, transmitting the letter of L. B. Hodgin of Kokomo, Indiana, complaining of mint practices relative to striking of medals in competition with outside firms and in compliance with your request for a report on matters therein referred to would say that this mint has on several occasions bid on medals at the request of the War and Navy Departments, but for the past five years when in competition with outside manufacturers we have not been successful in obtaining any of this work, as our prices have been far in excess of outside firms. As recent as March 2d the Navy Department opened proposals on certain medals, bars and pins upon which the mint was invited to bid. Four manufacturers of medals bid on this lot of medals as follows: $1713.75, $1942.00, $2176.75 and $3020.00 respectively, while the bid made by the mint was $3325.00. This is a fair sample of all other bids made by us.

During and shortly after the war the mint did make a number of medals and dies for the War and Navy Departments. These orders were placed with

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the mint at prices quoted by us and not in competition with other makers of dies and medals.

Sec. 3551 R.S. provides that dies of a national character may be executed by the Engraver at the mint and national and other medals struck with your approval when such work does not interfere with regular coinage operations.

There are a large number of dies for award medals belonging to colleges and scientific institutions held in possession of the mint at the request of the owners. A majority of these medals, which are comparatively few, are struck from these dies in gold or silver and we do not compete with outside manufacturers on this business. In fact, all such orders are placed directly with the mint and prices are not quoted until the medals are completed. It would be impossible, due to the gold or silver content, to quote a price covering the exact cost of such medals before complete. The dies referred to were not made at the mint, but furnished by the institutions desiring medals.

All activities at the mint in this respect are only such as provided for in Sec. 3551 R.S.

For your information would say that the entire labor cost in striking medals from these dies last year amounted to less than $1500. * I might also add that in our medal department during the war and for a time thereafter from 12 to 18 persons were employed. Today we have in that department but two employees.

It would hardly appear from the above statements that the business the mint has done for a number of years past could seriously injure the business of outside medal manufacturers.

Engraver Morgan advises me that he has on several occasions been requested by persons desiring medals to suggest names of die makers and in all such cases he has been particular to give the names of several of the best known firms in that line.

*Includes overhead expenses."

Respectfully,

A. W. Mellon

Secretary of the Treasury.

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March 20, 1923.

MEMORANDUM FOR THE UNDERSECRETARY.

Reports on file in the Mint Bureau indicate that large vendors of silver to the United States under the Pittman Act held on December 31, 1922;

	Fine ounces silver	
	Domestic	Foreign
American Smelting & Refining Co.......	5,972,000	12,032,000
United Metals Selling Co. (Anaconda).	7,464,000	1,835,000
U. S. Smelting, Ref. & Mining Co.....	1,350,000	270,000
Bunker Hill Smelter..................	401,000	113,000
Total.......	15,187,000	14,250,000

The above stocks appear to be normal. The refined portion thereof was approximately 800,000 ounces, which is unusually large, refined stocks frequently being below 300,000 ounces.

If the United States should decide to purchase silver only as and when delivered the result would be to send three of the above concerns into the market for 7 to 9 million ounces of foreign silver to sell the United States in lieu of the domestic stocks, and remove 15 million ounces from the usual market, raising the price of foreign silver. Monthly domestic production is now about 5 million ounces.

The following plan for determining time of discontinuing Pittman Act purchases is submitted for consideration:

> To the exact number of ounces required for reproducing the exact number of dollars melted pursuant to the terms of the Pittman Act (if it were possible to produce coins containing the exact quantity of silver provided for by law) add an estimated quantity to cover possible wastage and tolerance allowance; also add sufficient silver to make certain that there will be enough to actually recoin the number of dollars melted in accordance with the terms of the Act. This would probably leave a small amount of silver, costing $1.00 per ounce, on hand when the entire number of dollars have been replaced; this silver to be purchased for subsidiary silver coinage under Section 3526 R.S., the proceeds to be deposited in the Treasury as a reimbursement

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of the excess purchase under the Pittman Act, thus closing out the Pittman Act silver bullion account.

Establish the Governments actual receipts from each large vendor and from miscellaneous sources as of December 31, 1922; add to this the December 31, 1922 refinery and smelter inventories, of large vendors, of silver supportable and salable by them as conforming to the Pittman Act; such inventories to separately state the amount on hand not tendered to and accepted by the Director of the Mint and the amount subject to delivery on accepted tenders. These large vendors to be advised that the Director of the Mint will accept from them, on tender, these inventory quantities for delivery as and when refined. At the same time these large vendors to be advised that when the quantity remaining purchasable by the Government has reached approximately 6 to 10 million ounces they will be requested and expected to advise the Director of the Mint, upon agreement among themselves, as to the percentage of such total which each will sell to the Government (the Director of the Mint to reserve from such 6 to 10 million ounces the estimated quantity of silver which will be delivered directly to the mints in gold deposits).

Each large vendor to report to the Director of the Mint, by the fifth of each month, the prior month's receipts of silver known to be supportable and salable as conforming to the Pittman Act, and miscellaneous receipts to be likewise reported by the Mints. These reports to be made by mail until such time as the Director of the Mint requests telegraphic reports. Such of these reports as are rendered by reducing concerns to be in the form of tenders covering their (certified) receipts, and to be accepted by the Director of the Mint as tenders for subsequent delivery; miners, reducers, and vendors affidavits to be filed as heretofore. These reports to closely approximate the figures to be later certified as being correct abstracts from the books of account; any necessary adjustments to bring them into agreement with the books to be seperately stated (for each month) on report for the month current at the time need of the adjustments comes to attention. Amounts thus reported monthly to be added to amounts established in conformity with prior paragraphs.

A condition to be imposed that no silver will be accepted by the Government under the terms of the Pittman

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Act unless delivered to the reduction works, as shown by the miners affidavits, prior to a certain date.

The purpose of certain provisions of the above plan would be to prevent undue influence of Government purchases on the silver market and to permit, as nearly as may be, simultaneous discontinuance of payments to the miners, throughout the country, of the Pittman Act price for silver.

Mary McReilly

F

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April 9, 1923.

Memorandum for the Under Secretary:

I have given careful consideration to the plan suggested by Senator Smoot on Saturday for the distribution of purchases of the balance of silver to be purchased under the Act of April 23, 1918.

I have come to the conclusion that the basis upon which we are at present accepting silver from the smelters and refiners offers the most equitable and thorough protection to the small miners which can be devised by the Department.

Under the present arrangement it is agreed that the Director of the Mint shall make public announcement when the quantity remaining to be purchased under the act cited has dropped to approximately 10,000,000 ounces. After this the large vendors would be expected to tender the Director of the Mint by telegraph each day the amount of silver received at smelters and reduction works which is salable under the terms of the Act of April 23, 1918. The Director of the Mint is also to announce the date when purchases have been completed.

It has been further agreed that the Director of the Mint shall continue to purchase at the mints such silver up to the balance to be purchased as is tendered thereto in gold deposits and also the amounts being offered in small lots of refined silver when supported by the usual affidavits evidencing domestic origin and production. It appears to me that allocation would be more likely to work injustice and would be less equitable than the plan now being followed by the Department.

If allocation were made to states of quantities remaining purchasable at any particular time, a suballocation to individual producers within each state would logically be required. The Mint Bureau could not possibly allocate to each producer; it is not possessed of the information which would be required for so doing. Allocation to states would also doubtless result in discontinuing the payment of the dollar price in some states and to some mines weeks in advance of similar action in other states, due to differences in kinds of ores and time necessary for treatment.

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If deemed advisable this Bureau might address letters to each of the large vendors stating that each tender by them must cover all silver salable under the Pittman Act delivered at the smelting plants and in the order in which the lots were received.

F. E. Scobey

Director of the Mint.

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May 18, 1923.

Memorandum for the Commissioner of Accounts and Deposits.

It is suggested that consideration be given to the question of recommending to Congress repeal of the provision in Section 3528 R.S. for payment from the profits on minor coinage of the metal wastage incurred in such coinage and of the cost of distributing said coins, with consequent increase of the appropriation for Contingent Expenses Public Moneys to cover the distribution costs, and increase of the contingent appropriation for each of the coinage mints to cover the metal wastage.

This would be in line with the general policy of the Congress to require that all revenues be covered into the Treasury without deduction, would provide consistency as regards payment for metal wastage and for distribution of different kinds of money, and would eliminate a cause of much confusion in the settlement of bills for transportation of different kinds of money to and from different, or the same, destinations.

One of the results of discontinuing the sub-treasuries was to make the coinage mints storage-houses of considerable circulated coin not theretofore kept at the mints. At the present time if a mint ships out circulated minor coin the transportation costs are chargeable to the appropriation Contingent Expenses Public Moneys; while if uncirculated coin is shipped the expense is chargeable to the profits on manufacture of minor coin. Shipments are made by parcel post or by express, whichever is the cheaper method. Parcel post expenses must be paid in advance by the shipping officer, while express and insurance bills are usually rendered monthly. Express bills payable from the appropriations must be sent to the General Accounting Office for audit prior to payment; bills for insurance on the same shipments are sent to the Treasury disbursing clerk for payment; bills for postage, expressage, and insurance, payable from the profits on minor coinage may be paid only by the Superintendent of the Mint (the revenue collecting officer) which makes the shipment. These distinctions are not kept in mind by those who perform the distributing services with the result that rendered bills are frequently mixed and must be returned for correction before settlement can be made.

F E Scobey

Director of the Mint.

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June 6, 1923.

The Honorable
The Secretary of State.

Sir:

I have the honor to acknowledge the receipt of your letter of May 22, 1923, enclosing a copy of a note from the Chinese Minister to which is attached a photographic reproduction of new designs adopted by his Government for the Chinese Yuan, and stating that his Government desired to obtain, as an example of American workmanship in the Engraver's art, a set of dies for the new coin, to be made by the United States Mint.

The Director of the Mint states that the cost of the preparation of the dies would be Five Hundred Dollars($500). Should the Chinese Minister decide that he wishes to have the dies manufactured I shall take pleasure in instructing the Director of the Mint to comply with his request without delay.

Respectfully,

Secretary of the Treasury.

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June 9, 1923.

Memorandum for the Under Secretary.

In response to your memorandum of the 5th requesting data covering the closing of purchases of silver under the terms of the Pittman Act the following is submitted:

Reference is made to decision of the Comptroller of the Treasury dated June 12, 1920 (copy herewith), wherein the Comptroller directed that sworn exhibits be received from vendors of mixed silver, these being the proper source from which the Government should determine the proportionate part of domestic silver contained in the mixed product. The accounts and record of mixed silver purchases have been carried on a continuing basis, there having been no "cut-off" or date on which it was determined that a certain number of ounces received by the vendors prior to a certain date were tenderable, had been tendered and delivered, or had been supported by definite miners affidavits in quantity equaling or exceeding the number of ounces delivered. The nature of the business is such as to make such procedure impractical; it would involve shutting down, at prescribed times and for long periods, immense plants operated on 24-hour-per-day schedules.

The abstracts from books of account have, under the above mentioned decision and the regulations, been construed by this office as being part of the purchase record while in the making. Such abstracts have been received as promptly as the conditions governing their preparation would seem to warrant; they are regularly checked in this office. In some instances both operating losses and gains are shown, while in other instances only net losses have been reported. A reported net loss as at the end of one accounting period may be reduced by gains of a subsequent period. The only method by which exact net results could be determined for any period or date would be to shut down the plants and make thorough clean-ups.

A summary of book abstracts of the large vendors is attached. The net losses of the Anaconda Co. are proportionally the largest, being about 3%; in some cases the net losses are less than 1% and in the case of two concerns (Pennsylvania Smelting Co. and Nichols Copper Co.), which refine only and do not smelt silver, the net results are small gains. Most of the reduction losses occur in smelting. An explanation of the net gains was requested and the answers are attached.

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These abstracts from books of account, in connection with other records, provide at least prima facie evidence that their makers, the vendors, do not contemplate offering the Director of the Mint silver in the equivalent quantity of the net losses. It is obviously impractical to provide a record, in advance of purchases, that will give the Government absolute assurance that only the silver properly salable is being tendered. Apparently the regulations, as based upon the law and the Comptroller's decision, contemplate that the safeguards prescribed therein are sufficient to protect the Government during the purchase period, leaving the absolute check until final purchases, deliveries, and records are completed.

No silver has been accepted or paid for unless supported by vendors affidavit. Miners and other affidavits have been filed as promptly as conditions would seem to warrant.

On May 17th the Bureau requested the large vendors of silver to surrender miners affidavits, without claim for their use in support of sales of silver to the Government, in quantity equivalent to their losses in operation to December 31, 1922; also those in quantity equivalent to sales at a price in excess of $1.00 per ounce; also any other affidavits on hand which do not properly pertain to silver delivered, or yet to be delivered, to the Director of the Mint. It was also requested that deliveries of miner's affidavits be in future kept current with deliveries of silver; a copy of one of these letters is attached. Under date of May 18, 1923, this office notified the mint superintendents that in future vendors would be expected to keep deliveries of miner's affidavits current in quantity with deliveries of silver; copy of one such letter is attached.

Miner's affidavits not properly applicable to sales of silver to the Director of the Mint covering their sales at a price in excess of $1.00 per ounce have been surrendered by the American Smelting and Refining Co., and by the United Metals Selling Company (Anaconda).

Informal suggestion has been made orally by the Anaconda Company that the surrender of miner's affidavits in quantity equivalent to the silver shown to have been lost in operation by the reports of that company, to include December 31, 1922, would work an injustice to them by reason of the fact that certain silver contained in flue dust, now recorded as lost, is subject to partial recovery when this flue dust is worked. They state that this dust has been accumulating for some time and that the recoverable silver contained therein should be taken into account for the purpose of reducing the losses shown by their records; also that these flues at their Montana plant are literaly miles in length; and that directions have been given for their cleaning out and for the working of the material. They suggest that the proper time for surrender of the affidavits equivalent to their proportionate domestic losses in operation would be upon completion of deliveries of silver instead of at intermediate intervals.

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Under date of June 2, 1923, the large vendors of silver were requested to revise their tenders of undelivered silver to the Director of the Mint, to the close of business on May 29, 30 and 31, 1923. Copy of one of these letters is attached.

Attention is invited to attached letter dated June 7 from the Comptroller of the American Smelting and Refining Company, just received, concerning silver operating losses for a series of years.

Summary from book abstracts of certain vendors of silver under Pittman Act, to December 31, 1922.

	American Smelting & Refining Co.	United Metals Selling Co. (Anaconda)	U. S. Smelting Refining and Mining Co.	Bunker Hill Smelter.	Pe Sm Co
Opening stocks	19,156,508	8,276,966	1,513,504	228,96	1
Gross receipts	192,579,664	37,844,660	14,600,311	8,076,21	3,4
Returnable	1/	1,257,180	223,338	-	4
Operating gains	1,898,520	2/	2/	2/	
Company owned	213,634,692	44,864,446	15,890,477	8,305,175	5,1
Domestic	92,681,774	41,026,539	15,071,176	8,026,909	2,9
Foreign	120,952,916	3,837,907	819,301	278,266	2
Total to account for	213,634,692	46,121,626	16,113,815	8,305,175	5,5
Gross expenditures	195,630,515	36,822,842	14,494,809	7,790,793	3,4
Returned		1,257,180	223,338		40
Company owned:	195,630,515	35,565,662	14,271,471	7,790,793	5,03
Pittman Act deliveries on sales :-					
To Government	84,801,387	25,390,003	11,994,990	6,323,794	2,95
Other (with affidavits for re-sale, etc)	625,400	6,904,995	1,434,623	75,718	
Other sales	107,762,440	1,884,027	524,590	1,365,721	98
Operating losses	2,441,288	1,386,639	317,268	25,560	6
On hand December 31, 1922:-					
Pittman Act	5,972,142	7,463,527	1,349,850	401,248	
Other	12,032,035	1,835,257	269,156	[illegible],134	148,
Total accounted for	213,634,692	46,121,626	16,113,815	8,305,175	5,589,

1/ Returnable silver separately stated, therefore not included hereon.
2/ Gains not separately reported; losses shown are net.
3/ No losses shown
4/ No losses nor gains; only returnable quantity made a matter of record
5/ Not company owned; acts as agent for owners.

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rom book abstracts of certain vendors of
under Pittman Act, to December 31, 1922.

ed Metals ing Co. conda)	U. S. Smelting Refining and Mining Co.	Bunker Hill Smelter.	Penna. Smelting Co.	Nichols Copper Co.	American Metal Co.
,276,966	1,513,504	226,963	100,907	1,362,827	1,860,627
,844,660	14,600,311	8,076,212	3,442,930	10,961,776	13,335,969
,257,160	223,336	-	406,793	1,233,761	-
2/	2/	2/	45,229	85,011	4/
864,446	15,890,477	8,305,175	3,182,275	11,175,853	5/ 15,196,596
026,539	15,071,176	8,026,909	2,932,146	5,429,280	2,342,318
837,907	819,301	278,266	250,127	5,746,573	12,854,278
121,626	16,113,815	8,305,175	5,589,066	12,409,614	15,196,596
622,842	14,494,809	7,790,793	3,439,907	11,702,577	14,718,324
257,160	223,338		403,559	1,019,468	
565,662	14,271,471	7,790,793	3,036,348	10,683,109	14,718,324
590,001	11,994,990	6,523,794	2,931,974	5,300,510	1,683,218
04,995	1,434,623	75,718			302,934
84,027	524,590	1,365,721	98,000	5,382,799	12,732,172
66,639	317,268	25,560	6,374	3/	4/
63,527	1,549,850	401,248	173	126,969	356,156
35,257	269,156	[illegible],124	148,986	578,068	122,106
21,626	16,113,815	8,305,175	5,589,066	12,409,614	15,196,596

not included hereon.
net.

ade a matter of record

June 9, 1923.

Honorable James E. Watson,
United States Senate,
Washington, D. C.

My dear Senator Watson:

I have your letter of May 18, 1923, enclosing a second letter from Mr. L. B. Hodgin, President of the Kokomo Stone Company, Kokomo, Indiana, relative to the manufacture of medals at the United States Mint, Philadelphia.

You will recall that in reply to the first letter of Mr. Hodgin it was stated by the Superintendent of the Mint at Philadelphia that the mint had on several occasions bid on the manufacture of medals for the War and Navy Departments but when in competition with outside bidders had not been successful in obtaining any of the work, as the prices asked by the mint had been in excess of those quoted by outside firms. The medals and dies which the mint did make for the War Department and the Navy Department during and since the war were manufactured at the request of those departments at prices quoted by the mint, and not in competition with other makers of dies and medals. The medal and die work undertaken by the mint is confined to that authorized by Section 3551 R.S., which provides:

> "Dies of a national character may be executed by the engraver, and national and other medals struck by the coiner of the Mint at Philadelphia, under such regulations as the superintendent, with the approval of the Director of the

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Mint, may prescribe. Such work shall not, however, interfere with the regular coinage operations, and no private medal dies shall be prepared at any mint, or the machinery or apparatus thereof be used for that purpose."

The manufacture of medals at the mint in Philadelphia is very limited. At the present time but two men are employed in the medal department.

Very truly yours,

Secretary of the Treasury.

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June 27, 1923.

Memorandum for the Acting Secretary of the Treasury:

Replying to your memorandum of June 20, 1923, I have the honor to submit the following estimate upon coinage operations for the fiscal year 1924:

The Mint at Philadelphia will be engaged at normal capacity until the latter part of the calendar year 1923 in absorbing the accumulation of Pittman Silver now on hand. By January 1, 1924, Philadelphia Mint should be current with deliveries of silver. In addition to the dollar coinage it will be practicable to execute gold coinage at the Mint in Philadelphia, the volume of which will depend upon the promptness with which the silver accepted under the Pittman Act is delivered to the Mint.

The Mint at Denver is preparing to open the Refinery, in accordance with your approval. It is estimated that it will require about two months to equip and stock the refinery at that institution. This Mint is preparing to coin gold upon the resumption of operations after Settlement, and will average about $5,000,000 a month. The Denver Mint can be kept on gold throughout the year. We have only a small amount of refined silver on hand at that point and this will be needed to operate the electralytic refinery.

San Francisco will have sufficient Pittman silver to continue on silver dollars until the close of the calendar year, and from that time on will be expected to keep current with deliveries of Pittman silver, and also coin gold. In connection with the coinage of silver dollars at the San Francisco Mint,

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it will be necessary to have some coinage of subsidiary silver for local needs. It is now proposed to have the Mint at San Francisco start up on dimes for a brief period after completion of the Settlement. This will be a temporary arrangement and will not retard the coinage of silver dollars beyond a week or two. Upon a normal basis the Mint at San Francisco will coin about $3,750,000 in Standard Silver Dollars a month.

[signature]

Director of the Mint.

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June 29, 1923.

The Secretary of the Treasury,

Division of Bookkeeping and Warrants.

Sir:

I have the honor to enclose herewith statement of appropriations for salaries, pay, or compensation of employees, from which deductions are to be made for transfer to the "Civil Service retirement and disability fund" for the fiscal year 1924.

Respectfully,

Acting Director of the Mint.

S

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TREASURY DEPARTMENT.
Bureau of the Mint,
June 29, 1923.

Statement of appropriations for salaries, pay, or compensation of employees, from which deductions are to be made for transfer to the "Civil Service retirement and disability fund."

	Amounts accruing for 1924 to employees affected by retirement act.	$2\frac{1}{2}$% thereof to be transferred to the retirement fund.
Salaries, Office of the Director of the Mint.	$ 17,280.00	$ 432.00
Salaries, Mint at Philadelphia	53,500.00	1,337.50
Wages, Mint at Philadelphia	300,000.00	7,500.00
Salaries, Mint at San Francisco	39,500.00	987.50
Wages, Mint at San Francisco	175,000.00	4,375.00
Salaries, Mint at Denver	34,500.00	862.50
Wages, Mint at Denver	90,000.00	2,250.00
Salaries, Mint at New Orleans,	1,500.00	37.50
Wages, Mint at New Orleans	3,720.00	93.00
Salaries, Mint at Carson City	1,200.00	30.00
Wages, Mint at Carson City	1,000.00	25.00
Salaries, Assay Office at New York	44,000.00	1,100.00
Wages, Assay Office at New York	161,750.00	4,043.75
Salaries, Assay Office at Boise	1,200.00	30.00
Wages, Assay Office at Boise	1,740.00	43.50
Salaries, Assay Office at Deadwood	1,200.00	30.00
Wages, Assay Office at Deadwood	1,000.00	25.00
Salaries, Assay Office at Helena	1,200.00	30.00
Wages, Assay Office at Helena	900.00	22.50
Salaries, Assay Office at Salt Lake City	-0-	-0-
Wages, Assay Office at Salt Lake City	1,500.00	37.50
Salaries, Assay Office at Seattle	5,300.00	132.50
Wages, Assay Office at Seattle	7,600.00	190.00
Special Fund - Charges on Silver Dollar Bullion Sold	215,900.00	5,397.50
Total appropriations	$1,160,490.00	
Total deductions certified to be transferred		$29,012.25

July 26, 1923.

Secretary of the Treasury,
Division of Printing and Stationery,
Washington, D. C.

Sir:

In conformity with your request of July 24th, I have the honor to forward herewith statement of publications printed during the fiscal year ended June 30, 1923.

Respectfully,

F. M. O'Reilly

Acting Director of the Mint.

Enc.
F

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TREASURY DEPARTMENT
Office Director of the Mint.

Name of publication:	Annual Report Director of the Mint.	Proceedings of Assay Commission.	Value of Foreign Coins.
Authority for publication:	34 Stat.L 1424 28 " " 616	Secretary's direction as necessary for public business.	Secretary's direction as necessary for public business.
Frequency of issue:	Annual.	Annual.	Quarterly.
Number printed:	1,500	200	Bur. 400 quarterly Dept.4,750 "
Number of copies distributed:	1,134	173	Bur. 210 " Dept. ? "
To whom distributed:	Economists, financiers, publicists, administrative officials, gold and silver producers, other interested persons.	Administrative officers, commission members, others interested.	Customs collectors, fiscal officers, importers, consular officers, others interested.
Cost of preparation:	$1500 1/	$50 1/	$50 1/
Cost of printing:	$2,677.40	$174	$67.50

1/ Estimated.

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August 6, 1923.

MEMORANDUM FOR THE ACTING SECRETARY OF THE TREASURY

COINAGE PROGRAM

Replying to your memorandum of August 4, asking for a statement as to the coinage program of the mints, the following is submitted:-

The Mint at Philadelphia is coining dimes and standard silver dollars, - dimes at the rate of $20,000 per day and dollars at the rate of 100,000 per day. Upon the completion of orders for dimes, in about two weeks, all of the presses will be operated upon standard dollars and the mint should deliver not less than 200,000 per day.

The Mint at Denver is coining double eagles at the rate of about $6,000,000 a month, and will continue on gold coinage indefinitely.

The Mint at San Francisco is coining dimes and nickels. As soon as the local demand for the subsidiary and minor coins is supplied it is expected that San Francisco will proceed on silver dollar coinage. It is expected that the stock of Pittman silver at San Francisco will have been absorbed by the close of the calendar year, unless the Mint is required to continue on subsidiary and minor coinage. The San Francisco Mint can coin about 3,750,000 silver dollars a month.

Respectfully,

F E Scobey

Director of the Mint.

OR

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August 13, 1923.

Memorandum for the Assistant Secretary.

Complying with your request of August 11, I beg to submit the following:

The total amounts of gold coin in the Treasury and outstanding gold certificates, on the basis of daily Treasury Statement for August 10, 1923, are as follows:

Gold coin in Treasury - - - - - - - - -	$ 312,222,450.72
Outstanding gold certificates as shown by daily Treasury Statement- -	800,265,719.00

F. E. Scobey

Director of the Mint.

OW.

August 18, 1923.

MEMORANDUM FOR ASSISTANT SECRETARY WINSTON:

Replying to your memorandum of August 17, I have the honor to submit the following:

The Mint at San Francisco cannot safely be used for silver dollar coinage for about two months. The full capacity of that Mint will be required to meet local demands for subsidiary and minor coins. The stock of such coins now on hand follows;-

Half Dollars ----------	$20,059.
Quarter Dollars -------	1,072.
5-cent pieces ---------	9,040.
1-cent pieces ---------	54,781.

The stocks in the reserve banks in the western districts are nearly depleted and will have to be replenished by the San Francisco Mint in order to meet the demands of the crop-moving period.

Stock of silver at coinage mints and New York Assay Office, July 31.

	Pittman	Subsidiary	Unrefined	Capacity of Refinery per mo.
New York-------	2,987,100	855,500	3,731,000	275,000 ozs.
Philadelphia---	19,025,900	1,080,600	514,000	(No refinery.)
San Francisco-	4,530,600	3,009,500	3,984,600	200,000 ozs.
Denver --------	506,500	3,189,000	3,448,900	(Refinery opens September.)

The New York Assay Office will require about 15 months to refine the silver now on hand, and the San Francisco Mint will require about 20 months to refine its stock of silver.

The Mint at Denver is coining double eagles at capacity which is about $6,000,000 per month.

M. M. O'Reilly
Acting Director of the Mint.

August 18, 1923.

MEMORANDUM FOR ASSISTANT SECRETARY WINSTON:

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San Francisco-	4,530,600	3,009,500	3,984,600	200,000 ozs.
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The New York Assay Office will require about 15 months to refine the silver now on hand, and the San Francisco Mint will require about 20 months to refine its stock of silver.

The Mint at Denver is coining double eagles at capacity which is about $6,000,000 per month.

F. M. O'Reilly

Acting Director of the Mint.

August 24, 1923.

Hon. S. Parker Gilbert,
Undersecretary of the Treasury,
Washington, D.C.

Sir:

Will you please advise this Bureau if the Treasury Department would object to the publication by the National Museum of its plans for the installation of the coin collection recently received by the Museum from the Philadelphia Mint.

Respectfully,

M. M. O'Reilly

Acting Director of the Mint.

AUG 24

No objection:
S. P. Gilbert Jr
Under Secretary.

October 19, 1923.

Dear Senator Oddie:

I have your letter of October 11 giving an excerpt from a letter addressed by you to Hon. Edward Clifford, former Assistant Secretary of the Treasury, relative to the mint building at Carson City, Nevada. No record of the receipt of this letter is found in the Department.

In reply to your suggestion that the United States Mint building at Carson be remodeled for the purpose of housing Federal prisoners, I have the honor to state that in the opinion of this Department it would not be expedient to have part of the building used as a prison while it was being used as an Assay Office for the receipt of gold bullion, as at present.

Very truly yours,

Secretary of the Treasury.

Hon. Tasker L. Oddie,
United States Senate,
Washington, D.C.

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October 20, 1923.

MEMORANDUM FOR ASSISTANT SECRETARY WINSTON.

In re closing three small assay offices.

The value of the metal handled and the number of depositors accommodated do not justify the cost to the Government of supporting all of the interior assay offices. Local pride in Federal institutions and loss of patronage would no doubt force the respective members of Congress to oppose the closing of existing institutions in their districts. Political capital would probably be made of such an unpopular move and it might be more advisable to attempt to effect the closing of the three small assay offices in another than a campaign year. For years each party has generously relinquished or passed on to the other the opportunity to venture upon so certain a contest as the proposal to close the offices would develop. The argument would probably be advanced in each case that the offices were really vital to the mining interests in the district.

When the assay offices were established they did serve to encourage prospecting, to protect the miners from being exploited and to furnish the miners with receiving stations for their product. No such situation now exists. The offices were primarily established to care for individual miners when gold was mostly produced from placer mines. Little gold is now produced from such mines and most of the deposits now coming to the small assay offices could be cared for by the mints without causing great loss or hardship to the present patrons of these small offices.

The gold mining industry is handled principally by large smelters and refineries throughout the West. Their products now go directly to the coinage mints without cost to the Government for transportation. Bullion purchased at the small offices must be eventually shipped to a coinage mint at Government expense.

At present a considerable number of ore assays are made at a nominal charge which does not cover the cost to the Government. The small offices are allowed to make assays of ores for the public when not fully employed in the receipt and treatment of regular deposits offered for sale to the Government at those points. As we purchase gold in the form of bullion there is no real need of maintaining offices for desultory assaying for a few people. The

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assaying of ores is now done by reliable commercial assayers to be found in every mining district. The policy of having Government institutions in competition with commercial assayers may well be questioned.

The Deadwood and Salt Lake City offices are in Federal buildings. The Carson office is a separate building on a large plot of ground. This building could readily be made available for other activities of the Treasury Department in Carson.

The following table shows the decline in the transactions of the three small offices from 1913 to 1923:

	Carson City		Deadwood		Salt Lake City	
Year	Deposits	Value	Deposits	Value	Deposits	Value
1913	891	$ 735,085	426	$ 7,388,284	300	$ 600,632
1914	649	333,161	193	2,774,689	167	121,259
1915	634	237,317	107	738,037	167	49,540
1916	612	324,787	97	661,392	147	48,722
1917	419	204,242	62	248,035	110	41,824
1918	468	432,412	36	162,083	172	50,356
1919	424	616,102	63	421,733	112	14,705
1920	277	181,331	79	482,907	160	20,219
1921	234	84,381	21	109,410	227	19,919
1922	241	61,009	10	3,286	106	16,819
1923	202	102,000	24	22,000	130	15,000

M. M. O'Reilly

Acting Director of the Mint.

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October 18, 1923.

The Honorable

The Secretary of State.

Sir:

I have the honor to acknowledge receipt of your letter of October 16, 1923, stating that you had received a telegram from the American Minister at Riga, regarding the proposed coinage of 10,000,000 silver coins of the denomination of one lat, for the Latvian Government.

Replying I take pleasure in stating that the coinage will be undertaken by the Mint of the United States if your Department is agreeable thereto. The necessary detailed information as to the cost of such coinage would be submitted to you upon information supplied as to the composition, weight, and dimensions of the coin desired.

Respectfully,

Secretary of the Treasury.

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October 26, 1923.

MEMORANDUM FOR ASSISTANT SECRETARY WINSTON:

The Mint at Philadelphia has on hand about $782,000 in circulated half dollars which would be used to meet demands from the banks for necessary circulation before new coins would be made. The halves, quarters, dimes, nickels and cents on hand at Philadelphia are new.

The Mint at Denver has circulated halves and quarters, also minor coins, available for distribution before new coins would be issued.

The Mint at San Francisco has new halves, quarters, dimes, nickels and cents, and little circulated coin.

The policy of the Department has been to refuse to supply banks with new coins if the banks have on hand a sufficient stock to meet regular requirements for circulation. Copy of Circular 55, recently published, is attached.

Respectfully,

M. M. O'Reilly

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November 5, 1923.

Memorandum for Assistant Secretary Winston:

In accordance with your instructions of Saturday I am enclosing a statement made up in the Treasurer's Office showing the stock of subsidiary coins held by the Federal Reserve Banks and Branches, as of the dates stated.

The Mint at Philadelphia has no uncirculated coins on hand except half dollars which are not in demand. All other silver and minor coins being shipped to the banks at this time are new coins, and all eastern and middle west Federal Reserve banks are being supplied from this point.

The effect of allowing the banks to build up unnecessarily large stocks of new coins in anticipation of holiday demands is to keep the mints on the unnecessary coinage of subsidiary silver when we should have them on standard silver dollar coinage in order to reduce the silver bullion stock, -- a work I am sure you very much desire to have accomplished as rapidly as possible.

A further objection to the distribution of new coins not actually needed for business lies in the fact that the shipments are made from the mints to the banks at Government expense. After the holidays the coins come back to the banks and the Treasurer is again required to pay to have surplus stocks shipped back to the Mints, constituting a heavy tax on the Treasurer's limited appropriation.

M. M. O'Reilly

Acting Director of the Mint.

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December 5, 1923.

F

Secretary of the Treasury,
Division of Bookkeeping and Warrants.

Sir:

This office is in receipt of telegraphic information from the special disbursing agent and acting Superintendent of the Denver Mint to the effect that the balances standing to his credit on account of appropriations have been covered into the Treasury in anticipation of the transfer of responsibility to the newly appointed Superintendent of the Mint, Frank E. Shepard, whose bond will be approved today and who will assume charge of the institution today. Amount of bond, $100,000.

The acting Superintendent also states that they have Treasurer's orders for shipment of several lots of coin, which shipments must be held pending receipt of funds for payment of the transportation charges. It is therefore suggested that requisition for advance to Mr. Shepard of $2,000 under the appropriation, "Contingent Expences, Public Moneys 1924," be prepared for immediate release on notification that the bond has been approved and that Mr. Shepard has taken charge of the institution, and that telegraphic notification be given Mr. Shepard as soon as the funds have been made available.

Respectfully,

M. M. O'Reilly

Acting Director of the Mint.

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December 10, 1923.

Memorandum for Under Secretary Winston:

Orders for coins received from the Chicago Federal Reserve Bank have been sent to Denver and were delayed at that point on account of the transfer of coin and bullion at that institution from the custody of one Superintendent to another, which involved the placing of funds to the credit of the Superintendent to pay for shipments. When this difficulty was overcome the Post Office Department was unable on short notice to supply locks enough to cover the large orders, hence further delay ensued.

At the request of this Bureau the Treasurer's office has today been asked to order the shipment of all unfilled orders at Denver by express. It is understood the orders are practically cleared.

Shipments from the mint at Philadelphia during the last four months have exceeded the shipments of the corresponding period of last year by 110,000,000 pieces, and the orders at that Mint are practically current.

There is no way by which the Mints can anticipate the extent of the pressure for coinage at this time each year. The banks withhold their requests until close to Christmas time, with the result that the mints are expected to ship large quantities of coins on short notice when it is difficult at times for the Post Office and the express companies to cooperate with the mints.

The experience of this Bureau is that large quantities of coins called for at this time find their way back to the Treasury before the end of January. The demand is not so much for actual commercial use of coins as to meet the demand for new coins at this time of year. All of the coins being paid out at Philadelphia are new and this has tended to increase the abnormal demand.

R. J. Grant
R. J. Grant
Director of the Mint.